

Dean Eric C.
Form 4
September 08, 2011

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Dean Eric C.

2. Issuer Name and Ticker or Trading Symbol
LIQUIDITY SERVICES INC
[LQDT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
09/06/2011

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
Chief Information Officer

C/O LIQUIDITY SERVICES, INC., 1920 L STREET, N.W., 6TH FLOOR

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

WASHINGTON, DC 20036

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 09/06/2011 | | S | | 3,000 | D | \$ 30.43 |
| Common Stock | 09/06/2011 | | M | | 22,000 | A | \$ 7.48 |
| Common Stock | 09/06/2011 | | S | | 22,000 | D | \$ 31.13 |
| Common Stock | 09/07/2011 | | M | | 25,000 | A | \$ 7.48 |
| | 09/06/2011 | | S | | 25,000 | D | 0 |

Common Stock \$ 30.71

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Employee Stock Grant | \$ 15.47 | | | | | (1) 10/01/2020 | Common Stock 10,091 |
| Employee Stock Option | \$ 15.47 | | | | | (2) 10/01/2020 | Common Stock 14,911 |
| Employee Stock Grant | \$ 15.47 | | | | | (3) 10/01/2020 | Common Stock 15,000 |
| Employee Stock Option | \$ 7.48 | 09/06/2011 | | M | 22,000 | (4) 10/01/2018 | Common Stock 120,000 |
| Employee Stock Option | \$ 7.48 | 09/07/2011 | | M | 25,000 | (4) 10/01/2018 | Common Stock 98,000 |
| Employee Stock Option | \$ 13.56 | | | | | (5) 10/15/2017 | Common Stock 250,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other Chief Information Officer

Dean Eric C.
C/O LIQUIDITY SERVICES, INC.
1920 L STREET, N.W., 6TH FLOOR
WASHINGTON, DC 20036

Signatures

/s/ James E. Williams, by power of
attorney

09/08/2011

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Twenty-five percent of this restricted stock grant will vest on October 1, 2011 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
 - (2) Twenty-five percent of this option will vest on October 1, 2011 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
 - (3) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
 - (4) Twenty percent of this option grant vested on October 1, 2009 and thereafter 1/60th of the option grant will vest each month for forty-eight months.
 - (5) Twenty-five percent of this option grant vested on 10/15/2008, and thereafter, 1/48th of the option grant will vest each month for thirty-six months.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.